



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

October 16, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: APPROVAL OF  
EQUIPMENT MAINTENANCE AND REPAIR SERVICES  
AGREEMENT WITH THE CBORD GROUP, INC.  
(SUPERVISORIAL DISTRICT 2)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Authorize the Director of Health Services, or his designee, to execute an Agreement with CBORD Group, Inc. (CBORD), Exhibit I, for the provision of maintenance and repair of security alarm systems at Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK-MACC) and Harbor UCLA Medical Center (Harbor), effective October 1, 2007, the first day of the month in which Board approval is being sought, through June 30, 2009, for a total maximum obligation of \$123,928.
2. Delegate authority to the Director of Health Services, or his designee, to increase the total maximum obligation for this Agreement by no more than 40 percent above the contract amount of \$123,928 to accommodate additional or replacement equipment, training, and on-site service, for a potential increase of \$49,571, for a combined total contract maximum obligation of \$173,499.

**PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS**

Board approval of these actions will authorize an Agreement with CBORD to provide maintenance of security systems at MLK-MACC and Harbor.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

### **FISCAL IMPACT/FINANCING**

The combined total maximum obligation for the provision of equipment maintenance and repair services with CBORD effective October 1, 2007, the first day of the month in which Board approval is being sought, through June 30, 2009 is \$173,499, of which \$49,571 is for potential increases under delegated authority. For the total of \$123,928, the amount for FY 2007-08 is \$46,252 (\$32,400 for MLK-MACC and \$13,852 for Harbor) and FY 2008-09 is \$77,676 (\$47,865 for MLK-MACC and \$29,811 for Harbor).

Funding is included in the Department's FY 2007-08 Adopted Budget, and will be requested, as necessary, in future fiscal years.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

For the time period covering July 1, 2004 through September 30, 2007, there has been a delay in executing an Agreement with CBORD for various reasons including issues with certain contract provisions resulting in CBORD declining to sign an Agreement. In a separate action on your Board's agenda this date the Department is requesting Board approval for retroactive payments covering this time period in the amount of \$122,289. At the Department's request, County Counsel negotiated a resolution of CBORD's contract issues and CBORD has signed the Agreement with changes negotiated and approved by County Counsel.

CBORD provides maintenance and repair services for the security systems including software licenses and hardware to support proprietary security card systems at MLK-MACC and Harbor. The annual fee includes the cost of enhanced hardware support and software support plan. Under the enhanced hardware support plan, hardware repair including any product improvements and telephone support, are provided seven days a week, 24 hours a day. Software support is provided seven days a week, 24 hours a day, and includes software corrections and enhancements. There is a 4 percent annual fee increase for FY 2008-09.

Delegated authority is being requested to increase the maximum obligation to cover replacement equipment expenses, training for new staff, and as-needed on-site support by a systems engineer, if necessary over the term of the Agreement. The Agreement includes the latest Board-mandated language, and may be terminated for convenience by County upon 30 days advance written notice to Contractor. As negotiated, payments will be made quarterly in advance.

The Department has determined that this is not a Proposition A Agreement because the services are provided on a part-time or intermittent basis, and therefore, provisions of the County's Living Wage Program do not apply.

Honorable Board of Supervisors  
October 16, 2007  
Page 3

The administration of each facility will monitor the contractor's performance and assure compliance with the terms and conditions of the Agreement.

County Counsel has reviewed and approved Exhibit I as to form.

Attachment A provides additional information.

### **CONTRACTING PROCESS**

Diebold, Inc. was the original equipment manufacturer. CBORD later bought the card systems division of Diebold, Inc. The hardware is run by a proprietary software system. When the warranty expires, DHS prefers to obtain maintenance services from the manufacturer's authorized service representative to ensure the equipment performs in accordance with its specifications.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of these actions will ensure ongoing maintenance of security systems at MLK-MACC and Harbor.

When approved, the Department of Health Services requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
DRJ:LT:bjs

Attachments (2)

c: County Counsel  
Director and Chief Medical Officer, Department of Health Services

101607\_DHS\_CBORD

ATTACHMENT A

SUMMARY OF AGREEMENT

1. TYPE OF SERVICES:

Equipment maintenance and repair services for proprietary security card system at MLK MACC and Harbor-UCLA Medical Center.

2. AGENCY ADDRESS AND CONTACT PERSON:

The CBORD Group, Inc.  
61 Brown Road  
Ithaca, NY 14850  
Attention: Veronica Dugan  
Telephone: 607.257.2410  
Facsimile: 607.257.1902

3. TERM:

Effective date of Board approval through June 30, 2009.

4. FINANCIAL INFORMATION:

The combined total maximum obligation for the provision of equipment maintenance and repair services with CBORD effective date of Board approval through June 30, 2009 is \$173,499, of which \$49,571 is for potential increases under delegated authority. For the total of \$123,928, the amount for FY 2007-08 is \$46,252 (\$32,400 for MLK-MACC and \$13,852 for Harbor) and FY 2008-09 is \$77,676 (\$47,865 for MLK-MACC and \$29,811 for Harbor).

5. GEOGRAPHIC AREA SERVED:

Second Supervisorial District.

6. ACCOUNTABILITY FOR PROGRAM MONITORING AND EVALUATION:

Facility Administrator.

7. APPROVALS:

Martin Luther King, Jr. MACC:  
Harbor-UCLA Medical Center:  
Contracts and Grants:  
County Counsel:  
(approval as to form)

Antionette Smith-Epps, M.D., CEO  
Miguel-Ortiz-Marroquin, Interim CEO  
Cara O'Neill, Chief  
Andrea Ross, Senior Associate



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

THE CBORD GROUP, INC.

FOR

PREVENTIVE MAINTENANCE AND REPAIR SERVICES

OF

THE CBORD CARD SYSTEMS  
SECURITY ACCESS CONTROL SYSTEM

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Contract No. \_\_\_\_\_

# PREVENTIVE MAINTENANCE AND REPAIR SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_ 2007,

by and between COUNTY OF LOS ANGELES  
(hereafter "County"),  
and THE CBORD GROUP, INC.  
(hereafter "Contractor").

WHEREAS, pursuant to sections 1441 and 1445 of the California Health and Safety Code, County has established and operates, through its Department of Health Services (hereafter "DHS"), various County hospitals, comprehensive health centers, public health centers, and other health care facilities and programs (hereafter collectively referred to as "Facility(ies)"; and

WHEREAS, County desires the services of a Contractor to provide preventive maintenance and repair services as equipment is no longer covered under warranty; and

WHEREAS, County has determined that the services to be provided under this Agreement are of a technical nature to the extent that DHS is unable to recruit qualified personnel with the

requisite training, knowledge, or experience to perform such services; and

WHEREAS, Contractor is authorized under the laws of the State of California to engage in the business of providing preventive maintenance and repair services, and possesses the competence, expertise, and personnel necessary to provide such services described hereunder; and

WHEREAS, this Agreement is authorized by provisions of section 1451 of the California Health and Safety Code and sections 26227 and 31000 of the California Government Code.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. TERM: The term of this Agreement shall commence on October 1, 2007 and shall continue in full force and effect to and including June 30, 2009, unless sooner canceled or terminated as provided herein.

2. DESCRIPTION OF SERVICES:

A. Contractor shall provide services at Martin Luther King, Jr.-Harbor Hospital (MLK-HARBOR) and Harbor-UCLA Medical Center (HARBOR), and in the form as described in the body of this Agreement and Exhibit A, STATEMENT OF WORK, attached hereto and incorporated herein by reference.

B. Contractor warrants that it possesses the competence, expertise, and personnel necessary to provide such services.

C. The Director of Department of Health Services or such person's designee ("Director") may add or remove related equipment at DHS Facilities as necessary to assure that facility operations are maintained. Such maintenance and repair services shall include but not be limited to, warranty expiration, emergency repairs, and critical preventive maintenance.

3. NONEXCLUSIVITY: Contractor acknowledges that it is not necessarily the exclusive provider to County of services provided under the terms of this Agreement, and that County has, or may enter into, agreements with other providers of such services, or may perform all or part of same, when possible, using County employees.

4. BILLING AND PAYMENT:

A. County agrees to compensate Contractor in accordance with the terms set forth in Exhibit A and Schedules 1 and 2, attached hereto and incorporated herein by reference.

B. Contractor shall bill DHS' MLK-HARBOR, c/o General Accounting, Box 479, 1000 West Carson Street, Torrance, CA 90509, and HARBOR, General Accounting, Box 479, 1000 West

Carson Street, Torrance, CA 90509, hereunder according to the terms set forth in the payment requirements of said Exhibit.

5. MAXIMUM OBLIGATION OF COUNTY:

A. The total maximum obligation of County for all services provided hereunder shall not exceed One Hundred Twenty-Three Thousand, Nine Hundred Twenty-Eight Dollars (\$123,928) for the period October 1, 2007 through June 30, 2009.

Of the total maximum obligation, the amounts for MLK-HARBOR, as shown in Schedule 1, are as follows:

October 1, 2007 through June 30, 2008: \$32,399.92  
Quarterly in advance: Date of Board approval: \$10,232.75;  
January 1, 2008: \$10,657.17; April 1, 2008: \$11,506.00.

July 1, 2008 through June 30, 2009: \$47,864.96  
Quarterly in advance: July 1, 2008: \$11,966.24;  
October 1, 2008: \$11,966.24; January 1, 2009: \$11,966.24;  
April 1, 2009: \$11,966.24.

The amounts for HARBOR, as shown in Schedule 2, are as follows:

October 1, 2007 through June 30, 2008: \$13,851.74  
Quarterly in advance: Date of Board approval: \$4,568.08;  
January 1, 2008: \$4,568.08; April 1, 2008: \$4,715.58.

July 1, 2008 through June 30, 2009: \$29,811.60  
Quarterly in advance: July 1, 2008: \$7,452.90;  
October 1, 2008: \$7,452.90; January 1, 2009: \$7,452.90;  
April 1, 2009: \$7,452.90.

B. The Director may adjust the County's maximum obligation during each contract year of the Agreement term by no more than forty percent (40%) of the total maximum obligation (\$123,928) for maintenance and repair services of equipment coming off warranty, as needed on-site support, and training of new staff.

6. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for the payment of any monies, or reimbursements of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement, even if Contractor's provision of such services were requested by County directly. Should Contractor receive any such payment, it shall immediately notify County and shall repay or return all such funds or reimbursements to County within a reasonable amount of time. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or termination of this Agreement.

7. INDEMNIFICATION:

(a) Contractor shall indemnify, defend, and hold harmless County and its Special Districts, elected and

appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

(b) Contractor shall indemnify, hold harmless, and defend County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all claim, loss, damage, or liability for or by reason of any actual or alleged infringement of any patent, copyright and/or other intellectual property right and/or trade secret disclosure arising out of the operation and utilization by County of any of Contractor's work hereunder.

(c) This paragraph 7 shall survive expiration or termination of this Agreement.

8. GENERAL INSURANCE REQUIREMENTS: Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's



own expense. In any event, Contractor may satisfy the insurance coverage requirements specified in this Agreement by providing evidence of Contractor's self-insurance program, as described in the INSURANCE COVERAGE REQUIREMENTS Paragraph, hereinbelow. Such evidence shall be provided in a formal declaration (on Contractor's letterhead, if available) that declares Contractor is self-insured for the type and amount of coverage as described in INSURANCE COVERAGE REQUIREMENTS Paragraph, hereinbelow. Contractor's declaration may be in the form of a corporate resolution or a certified statement from a corporate officer or an authorized principal of Contractor. The statement also must identify which required coverages are self-insured and which are commercially insured. Contractors who are self-insured for workers compensation must provide a copy of their "Certificate of Consent to Self-Insure" issued by the State in which services will be provided. Further, Contractor's self-insurance program must be reviewed and approved by County's Risk Manager prior to the effective date of this Agreement.

A. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County's Risk Manager shall be delivered to Director at the: DHS, Contracts and Grants Division, 313 North Figueroa Street, 6th Floor-East, Los Angeles, California 90012-2659, and provide a copy to DHS, Centralized Contract Monitoring Division, 5555 Ferguson

Drive, Suite 210, Commerce, California 90022, prior to commencing services under this Agreement. Such certificates or other evidence shall:

- (1) Specifically identify this Agreement.
- (2) Clearly evidence all coverages required in this Agreement.
- (3) Contain the express condition that County is to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
- (4) Include copies of the additional insured endorsement to the commercial general liability policy, adding County of Los Angeles, its Special Districts, its officials, officers, and employees as insured for all activities arising from this Agreement.
- (5) Identify any deductibles or self-insured retentions for County's Risk Manager approval. County's Risk Manager retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims

administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

B. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to County's Risk Manager with an A.M. Best rating of not less than A:VII, unless otherwise approved by County's Risk Manager.

C. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County's Risk Manager, shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

D. Notification of Incidents, Claims, or Suits: Contractor shall report to County:

(1) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County.

Such report shall be made in writing within twenty-four (24) hours of occurrence.

(2) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(3) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-Employee Injury Report" to County contract manager.

(4) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies, or securities entrusted to Contractor under the terms of this Agreement.

E. Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

F. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(1) Contractor providing evidence of insurance covering the activities of subcontractors, or

(2) Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

9. INSURANCE COVERAGE REQUIREMENTS:

A. General Liability Insurance (written on Insurance Services Office ["ISO"] policy form "CG 00 01" or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 Million
Products/Completed Operations Aggregate:	\$1 Million
Personal and Advertising Injury:	\$1 Million
Each Occurrence:	\$1 Million

B. Automobile Liability Insurance (written on ISO policy form "CA 00 01" or its equivalent) with a limit of liability of not less than \$1 Million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

C. Workers' Compensation and Employers' Liability insurance providing workers' compensation benefits, as

required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 Million
Disease - Policy Limit:	\$1 Million
Disease - Each Employee:	\$1 Million

10. SUBCONTRACTING:

A. For purposes of this Agreement, all subcontracts must first be approved in writing by the Director of the Department of Health Services, or his designee ("Director"). Contractor's written request to Director for approval to enter into a subcontract shall be made at least thirty (30) calendar days prior to the subcontractor's proposed effective date, and shall include:

(1) Identification of the proposed subcontractor, who shall be licensed as appropriate for provision of subcontract services, and an explanation of why and how the proposed subcontractor was selected, including the degree of competition involved.

(2) A detailed description of the services to be provided by the subcontractor.

(3) The proposed subcontract amount and manner of compensation, if any, together with Contractor's cost or price analysis thereof.

(4) A copy of the proposed subcontract. Any later modification of such subcontract shall take the form of a formally written subcontract amendment which also must be approved in writing by Director in the same manner as described above, before such amendment is effective.

(5) Any other information and/or certification(s) requested by Director.

B. Director shall review Contractor's request to subcontract and shall determine, in his/her sole discretion, whether or not to consent to such a request on a case-by-case basis.

C. Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirements under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors. Further, Director's approval of any subcontract shall also not be construed to limit in any way, any of County's rights or remedies contained in this Agreement.

D. In the event that Director consents to any subcontracting, Contractor shall be solely liable and responsible for any and all payments or other compensation to all subcontractors, and their officers, employees, and agents.

E. In the event that Director consents to any subcontracting, such consent shall be subject to County's right to terminate, in whole or in part, any subcontract at any time upon written notice to Contractor when such action is deemed by County to be in its best interest. County shall not be liable or responsible in any way to Contractor, or any subcontractor, or to any officers, employees, or agents, of Contractor, or any subcontractor, for any liability, damages, costs, or expenses, arising from or related to County's exercising of such a right.

F. Subcontracts shall contain the following provision: "This contract is a subcontract under the terms of a prime contract with the County of Los Angeles and shall be subject to all of the provisions of such prime contract." Further, Contractor shall also reflect as subcontractor requirements in the subcontract form all of the requirements of the following paragraphs of the body of this Agreement:  
NO PAYMENT FOR SERVICES PROVIDED FOLLOWING  
EXPIRATION/TERMINATION OF AGREEMENT, INDEMNIFICATION,



GENERAL INSURANCE REQUIREMENTS, INSURANCE COVERAGE REQUIREMENTS, SUBCONTRACTING, CONSTRUCTION, and CONFLICT OF TERMS, as well as, all of the provisions of the Standard Provisions attachment.

Contractor shall deliver to Director a fully executed copy of each subcontract entered into by Contractor, as it pertains to the provision of services under this Agreement, on or immediately after the effective date of the subcontract, but in no event, later than the date any services are to be performed under the subcontract.

G. Director is hereby authorized to act for and on the behalf of County pursuant to this Paragraph, including but not limited to, consenting to any subcontracting.

11. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with the requirements of all federal, State, and local laws, ordinances, regulations, rules, guidelines, and directives, applicable to its performance hereunder. To the extent there is any conflict between federal and State or local laws, the former shall prevail.

Any reference to a specific statute, regulation, or any other document not prepared by County is deemed to include a reference to any amendment thereto as of the effective date of such amendment; further, this Agreement shall be

interpreted and the parties' duties and obligations under this Agreement shall be consistent with any amendment to any applicable statute, regulation or other document not prepared by County which occurs after the effective date of the Agreement.

B. Contractor shall indemnify and hold harmless County from and against any and all loss, damage, liability, or expense resulting from any violation on the part of Contractor, its officers, employees, or agents, of such federal, State, or local laws, regulations, guidelines, or directives.

12. CONTRACTOR'S OBLIGATION UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 ("HIPAA"): The County is subject to the Administrative Simplification requirements of the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Under this Contract, Contractor provides services to the County and the Contractor receives, has access to, and/or creates Protected Health Information as defined in Addendum A in order to provide those services. The County and the Contractor therefore agree to the terms of Addendum A, Contractor's Obligations Under HIPAA.

13. STANDARD PROVISIONS: Attached hereto and incorporated herein by reference, is a document labeled Standard Provisions,

of which the terms and conditions therein contained are part of this Agreement.

14. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this Agreement, they shall be deemed a part of the operative provisions of this Agreement and are fully binding upon the parties.

15. CONFLICT OF TERMS: To the extent that there exists any conflict or inconsistency between the language of this Agreement, including its Standard Provisions, and that of any Exhibit(s), Attachment(s), and any other documents incorporated herein by reference, the language found within this Agreement shall govern and prevail.

16. ALTERATION OF TERMS: The body of this Agreement, including its Standard Provisions, Exhibit(s), and any Attachment(s) attached hereto, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Agreement. Except as otherwise expressly provided herein, no addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their officers, employees or agents, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties in the same manner as this Agreement.

17. CONTRACTOR'S OFFICE: Contractor's primary business office is located at 61 Brown Road, Ithaca, NY 14850. Contractor's primary business telephone number is (607) 257-2410, facsimile/FAX number is (607) 257-1902, and electronic mail ("e-mail") address is vfd@cbord.com. Contractor shall notify County, in writing, of any changes made to Contractor's primary business address, business telephone number, facsimile/FAX number, and/or e-mail address, as listed herein, or any other business address, business telephone number, facsimile/FAX number, and/or e-mail address used in the provision of services herein, at least ten (10) calendar days prior to the effective date(s) thereof.

18. NOTICES: Any and all notices required, permitted, or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States mail, certified or registered, postage prepaid, return receipt requested, to the parties at the following addresses and to the attention of the person named. County's Director of Health Services shall have the authority to issue all notices or demands required or permitted by the County under this Agreement. Addresses and persons to be notified may be changed by the parties by giving ten (10) days' prior written notice thereof to the parties.

A. Notices to County shall be addressed as follows:

- (1) Department of Health Services  
Contracts and Grants Division

313 North Figueroa Street, Sixth Floor-East  
Los Angeles, CA 90012  
Attention: Director

(2) Department of Health Services  
Martin Luther King, Jr.-Harbor Hospital  
12021 South Wilmington Avenue  
Los Angeles, CA 90059  
Attention: Chief Executive Officer

(3) Department of Health Services  
Harbor-UCLA Medical Center  
1000 West Carson Street  
Torrance, CA 90509  
Attention: Chief Executive Officer

B. Notices to Contractor shall be addressed as follows:

The CBORD Group, Inc.  
61 Brown Road  
Ithaca, NY 14850  
Attention: Chris Curkendall

IN WITNESS WHEREOF, the Board of Supervisors of the County  
of Los Angeles has caused this Agreement to be subscribed by its

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Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

THE CBORD GROUP, INC.  
\_\_\_\_\_  
Contractor

By \_\_\_\_\_  
Signature  
Timothy A. Tighe  
\_\_\_\_\_  
Print Name

Title President  
\_\_\_\_\_  
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants Division

Cbord\_final\_body0706.0609

## STANDARD PROVISIONS

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## STANDARD PROVISIONS

1. ADMINISTRATION: Director shall have the authority to administer this Agreement on behalf of County. Contractor agrees to extend to Director, or to authorized federal, State, County, and local governmental representatives, the right to review and monitor Contractor's program(s), policies, procedures, and financial and/or other records, and to inspect its business offices, facility(ies), and/or County work site area(s), for contractual compliance at any reasonable time.

2. FORM OF BUSINESS ORGANIZATION AND FISCAL DISCLOSURE:

A. Form of Business Organization: Contractor shall prepare and submit to Director upon request, an affidavit, sworn to and executed by Contractor's duly constituted officers, or Board of Directors, containing the following information with supportive documentation:

(1) The form of Contractor's business organization, e.g., sole proprietorship, partnership, limited liability company ("LLC"), or corporation.

(2) Articles of Incorporation and By-Laws (or articles of organization, certificate of formation, certificate of registration, and operating agreement if Contractor's organization is an LLC).

(3) A detailed statement indicating whether Contractor is totally or substantially owned by another

business organization (i.e., another legal entity or parent corporation).

(4) Board Minutes, or other legal documentation, identifying who is authorized on behalf of Contractor to conduct business, make commitments, and enter into binding agreements with County. Such Board Minutes, or legal documentation, shall especially confirm that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement.

(5) A detailed statement indicating whether Contractor totally or partially owns any other business organization that will be providing services supplies, materials, or equipment to Contractor or in any manner does business with Contractor under this Agreement.

(6) If, during the term of this Agreement, the form of Contractor's business organization changes, or the ownership of Contractor changes, or Contractor's authorized person to conduct business, make commitments, and enter into binding agreements with County changes; or Contractor's ownership of other businesses dealings with Contractor under this Agreement changes; Contractor shall notify Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

B. Fiscal Disclosure: Contractor shall prepare and submit to Director upon request, a statement executed by Contractor's duly constituted officers or Board of Directors, containing the following information:

(1) A detailed statement listing all sources of funding to Contractor, including but not limited to, private contributions, if any. The statement shall include the nature of the funding, services to be provided, total dollar amount, and period of time of such funding.

(2) If, during the term of this Agreement, the source(s) of Contractor's funding changes, Contractor shall promptly notify the Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

3. NONDISCRIMINATION IN SERVICES: Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, or physical or mental disability, or sexual orientation in accordance with requirements of federal and State laws. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a facility; providing any service or benefit to any person which is not equivalent, or is provided in a non-

equivalent manner or at a non-equivalent time, from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative action to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation.

In addition, Contractor's facility access for the disabled must fully comply with section 504 of the federal Rehabilitation Act of 1973 and Title III of the federal Americans with Disabilities Act of 1990.

4. NONDISCRIMINATION IN EMPLOYMENT:

A. Contractor certifies and agrees, pursuant to the federal Rehabilitation Act of 1973, the federal Americans with Disabilities Act of 1990, and all other federal and State laws, as they now exist or may hereafter be amended, that it, its affiliates, subsidiaries, or holding companies, will not discriminate against any employee or applicant for employment because of race, color, religion, national

origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation.

Contractor shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation, in accordance with federal and State laws. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

Contractor shall post in conspicuous places in each of Contractor's facilities providing services hereunder, positions available and open to employees and applicants for employment, and notices setting forth the provisions of this Paragraph.

B. Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status,

political affiliation, physical or mental disability, or sexual orientation, in accordance with requirements of federal and State laws.

C. Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement, or other contract of understanding, a notice advising the labor union or workers' representative of Contractor's commitments under this Paragraph.

D. Contractor certifies and agrees that it shall deal with its subcontractor, bidders, or vendors without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation, in accordance with requirements of federal and State laws.

E. Contractor shall allow federal, State, and County representatives, duly authorized by Director, access to its employment records during regular business hours in order to verify compliance with the anti-discrimination provisions of this Paragraph. Contractor shall provide such other information and records as such representatives may require in order to verify compliance with the anti-discrimination provisions of this Paragraph.

F. If County finds that any of the provisions of this Paragraph have been violated, the same shall constitute a material breach of Agreement upon which County may determine

to cancel, terminate, or suspend, this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the federal Equal Employment Opportunity Commission that Contractor has violated federal or State anti-discrimination laws shall constitute a finding by County that Contractor has violated the anti-discrimination provision of this Agreement.

G. The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Agreement, County shall be entitled, at its option, to the sum of Five Hundred Dollars (\$500) pursuant to California Civil Code section 1671 as liquidated damages in lieu of canceling, terminating, or suspending this Agreement.

5. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its officers, employees, and agents from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the federal Fair Labor Standards Act for services performed by Contractor's employees for which County may be found jointly or solely liable.



6. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all federal statutes and regulations regarding employment of undocumented aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in federal statutes and regulations. Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by federal statutes and regulations, as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for all covered employees for the period prescribed by law. Contractor shall indemnify, defend and hold harmless County, its officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

7. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director in writing, within thirty (30) calendar days, of: (1) any event that would require Contractor or a staff member's mandatory exclusion from participation in a federally funded health care program; and (2)

any exclusionary action taken by any agency of the federal government against Contractor or one or more staff members barring it or the staff members from participation in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any federal exclusion of Contractor or its staff members from such participation in a federally funded health care program.

Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

8. RULES AND REGULATIONS: During the time that Contractor's employees, or subcontractors are at the facility, Contractor and such persons shall be subject to the rules and regulations of facility. Facility's Administrator shall furnish a copy of rules and regulations to Contractor pertaining to Medical Center prior to the execution of this Agreement and, during the term of this Agreement, shall furnish Contractor with any changes thereto as from time to time may be adopted. It is the responsibility of Contractor to acquaint itself and such persons who may provide services hereunder with such rules and regulations. Contractor agrees to immediately and permanently withdraw any of its employees or subcontractors from the provision of services hereunder upon receipt of written notice from the Director that: (1) such employee or subcontractor has

violated such rules or regulations, or (2) such employee's or subcontractor's actions while on County premises, indicate that such employee or subcontractor may adversely affect the delivery of health care services to County patients. The Director must submit with such notice a written statement of the facts supporting any such alleged violation or action.

9. STAFF PERFORMANCE OF SERVICES WHILE UNDER THE INFLUENCE: Contractor shall ensure that no employee or other person under Contractor's control, performs services hereunder while under the influence of any alcoholic beverage, medication, narcotic, or other substance that might impair his/her physical or mental performance.

10. UNLAWFUL SOLICITATION: Contractor shall inform all of its officers and employees performing services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of Business and Professions Code of the State of California (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of said provisions by its officers and employees. Contractor agrees to utilize the attorney referral service of all those bar associations within Los Angeles County that have such a service.

11. WARRANTIES: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to

each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

Contractor hereby further represents and warrants as follows: (a) it has the full power and authority to grant all rights granted to County under this Agreement; (b) no consent of any other person or entity is required by Contractor to grant such rights; and (c) the performance of this Agreement by Contractor will not in any way constitute an infringement or other violation of any copyright, trade secret, trademark, service mark, patent, invention, proprietary information, moral, or other rights of any third party.

12. COUNTY LOBBYISTS: Each County lobbyist as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of any County lobbyist retained by Contractor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Agreement.

13. RESTRICTIONS ON LOBBYING: If any federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all such certification and disclosure requirements prescribed by Section 319, Public Law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors

receiving funds provided under this Agreement also fully comply all such certification and disclosure requirements.

14. COUNTY'S QUALITY ASSURANCE PLAN: The County or its agents will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which Director determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to County's Board of Supervisors. The report will include improvement/corrective action measures taken by Director and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate Agreement or impose other penalties as specified in Agreement.

15. RECORDS AND AUDITS:

A. Service Records: Contractor shall maintain, and provide upon request by County, accurate and complete records of its activities and operations as they relate to the provision of services, hereunder.

B. Financial Records: Contractor shall prepare and maintain on a current basis, complete financial records in accordance with generally accepted accounting principles and also in accordance with any additional accounting principles and procedures, and standards, which may from time to time be promulgated by Director. All such records shall be sufficient to substantiate all charges billed to County in

the performance of this Agreement. Further, all financial records of Contractor pertaining to this Agreement, including accurate books and records of accounts of its costs and operating expenses, and all records of services (including personnel provided), as well as other financial records pertaining to this Agreement, shall be retained by Contractor for a minimum period of five (5) years following the expiration or prior termination of this Agreement. During such five (5) year period, as well as during the term of this Agreement, all records pertaining to this Agreement, or true and correct copies thereof, including but not limited to, those records described above, shall either: (1) be retained by Contractor, accessible for review by County representatives at a location in Los Angeles County, or (2) if retained by Contractor at a location outside of Los Angeles County, moved from such a location, to a location within Los Angeles County for review, upon Director's request, and made available during County's normal business hours, within ten (10) calendar days, to representatives of County, or federal and State governments, for purposes of inspection and audit. In the event such records are located outside Los Angeles County and Contractor is unable to move such records to Los Angeles County, then Contractor shall permit such inspection or audit to take place at an agreed to outside location, and Contractor shall pay County for

travel, per diem, and other costs related to such inspection and audit.

Contractor shall further agree to provide such records, when possible, immediately to County by facsimile/FAX, or through the internet (i.e., electronic mail ["e-mail"]), upon Director's request. Director's request shall include appropriate County facsimile/FAX number(s) and/or e-mail address(es) for Contractor to provide such records to County. In any event, Contractor shall agree to make available the original documents of such FAX and e-mail records when requested by Director for review as described hereinabove.

C. Federal Access to Records: If, and to the extent that, section 1861 (v)(1)(I) of the Social Security Act [42 United States Code ("U.S.C.") section 1395x (v)(1)(I)] is applicable, Contractor agrees that for a period of five (5) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, this Agreement, books, documents, and records of Contractor which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any

subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization (as that term is defined under federal law), Contractor agrees that each such subcontract shall provide for such access to the sub-contract, books, documents and records of the subcontractor.

D. County To Be Provided Audit Report(s): In the event that an audit is conducted of Contractor specifically regarding this Agreement by any federal or State auditor, or any auditor or accountant employed by Contractor or otherwise, Contractor shall file a copy of each such audit report with Director and County's Auditor-Controller within thirty (30) calendar days of Contractor's receipt thereof, unless otherwise provided under this Agreement, or under applicable federal or State regulations. To the extent permitted by law, County shall maintain the confidentiality of such audit report(s). Failure of Contractor to comply with these terms shall constitute a material breach of this Agreement upon which County may cancel, terminate, or suspend this Agreement.

E. Audit/Compliance Review: In the event County representatives conduct an audit/compliance review of Contractor, Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all records of services rendered and all financial records and reports pertaining to this



Agreement and shall allow photocopies to be made of these documents utilizing Contractor's photocopier, for which County shall reimburse Contractor its customary charge for record copying services, if requested. Director shall provide Contractor with at least ten (10) working days prior written notice of any audit/compliance review, unless otherwise waived by Contractor.

County may conduct a statistical sample audit/compliance review of all claims paid by County during a specified period. The sample shall be determined in accordance with generally accepted auditing standards. An exit conference shall be held following the performance of such audit/ compliance review at which time the results shall be discussed with Contractor. Contractor shall be provided with a copy of any written evaluation reports.

Contractor shall have the opportunity to review County's findings on Contractor, and Contractor shall have thirty (30) calendar days after receipt of County's audit/ compliance review results to provide documentation to County representatives to resolve the audit exceptions. If, at the end of the thirty (30) calendar day period, there remains audit exceptions which have not been resolved to the satisfaction of County's representatives, then the exception rate found in the audit, or sample, shall be applied to the total County payment made to Contractor for all claims paid

during the audit/compliance review period to determine Contractor's liability to County.

F. County Audit Settlements: If, at any time during the term of this Agreement or at any time within five (5) years after the expiration or earlier termination of this Agreement, authorized representatives of County conduct an audit of Contractor regarding the services provided to County hereunder and if such audit finds that County's dollar liability for such services is less than payments made by County to Contractor, then Contractor agrees that the difference shall be either: (1) repaid forthwith by Contractor to County by cash payment, or (2) at Director's option, deducted from any further amount due Contractor from County. If such audit finds that County's dollar liability for services provided hereunder is more than payments made by County to Contractor, then the difference shall be paid forthwith to Contractor by County by cash payment.

16. REPORTS: Contractor shall make reports as required by County, or DHS, concerning Contractor's activities and operations as they relate to this Agreement and the provision of services hereunder. In no event, however may County, or DHS, require such reports unless Director has provided Contractor with at least thirty (30) calendar days' prior written notification thereof. Director's notification shall provide Contractor with a written explanation of the procedures for reporting the information required.

17. CONFIDENTIALITY: To the extent that Contractor may gain access hereunder to County patient records and information, Contractor shall maintain the confidentiality of such records and information from third parties, including but not limited to, billings and County records, in accordance with all applicable federal, State, and local laws, ordinances, rules, regulations, and directives relating to confidentiality. Contractor shall inform all its officers, employees, agents, subcontractors, and others providing services hereunder of this confidentiality provision requirement. Contractor shall indemnify and hold harmless County, its officers, employees, agents, and subcontractors, from and against any and all loss, damage, liability, and expense arising out of any disclosure of patient records and information by Contractor, its officers, employees, agents, subcontractors, and others providing services hereunder.

18. CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER: Contractor recognizes that health care facilities maintained by County provide care essential to the residents of the communities they serve, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this contract, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible.

Failure to comply with this requirement shall be considered a material breach by Contractor for which County may immediately terminate this Agreement.

19. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County. Any assignment or delegation which does not have such prior County consent shall be null and void. For purposes of this Paragraph, such County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any billings to County by any delegatee or assignee on any claim under this Agreement, absent such County's consent, shall not be paid by County. Any payments by County to any delegatee or assignee on any claim under this Agreement, in consequence of any such County consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to setoff, recoupment or other reduction of claims which County may have against Contractor, whether under this Agreement or otherwise.

B. Shareholders or partners, or both, of Contractor may sell, exchange, assign, divest, or otherwise transfer any interest they may have therein. However, in the event any such sale, exchange, assignment, divestment or

other transfer is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, then prior written consent thereof by County's Board of Supervisors shall be required. Any payments by County to Contractor on any claim under this Agreement shall not waive or constitute such County consent. Consent to any such sale, exchange, assignment, divestment, or other transfer shall be refused only if County, in its sole judgement, determines that the transferee(s) is (are) lacking in experience, capability and financial ability to perform all Agreement services and other work. This in no way limits any County right found elsewhere in this Agreement, including, but not limited to, any right to terminate this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the

event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

20. COMPLIANCE WITH JURY SERVICE PROGRAM:

A. Jury Service Program: This Agreement is subject to the service provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

B. Written Employee Jury Service Policy:

(1) Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service served. Contractor's policy may further provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.

(2) For purpose of this Paragraph, and as set forth in the Jury Service Program provision of the County Code as described hereinabove: "Contractor" shall mean a person, partnership, corporation, or other entity, that has a contract with County, or a subcontract with a County contractor, and has received, or will receive, an aggregate sum of Fifty Thousand Dollars (\$50,000) or more in any twelve (12) month period under one (1) or more County contracts or subcontracts; "employee" shall mean any California resident who is a full-time employee of Contractor; and "full-time" shall mean forty (40) hours or more worked per week, or a lesser number of hours, if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time.

Full-time employees providing short-term temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any

such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

(3) If Contractor is not required to comply with the Jury Service Program on the effective date of this Agreement, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Services Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor", or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Agreement term, and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Jury Service Program.

(4) Contractor's violation of this Paragraph of the Agreement may constitute a material breach of this Agreement. In the event of such breach, County may, in its sole discretion, terminate this Agreement and/or



bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

21. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES: Contractor shall obtain and maintain in effect during the term of this Agreement, all appropriate licenses, permits, registrations, accreditations, and certificates required by all applicable federal, State, and local laws, regulations, guidelines and directives, for the operation of its business operation and for the provisions of services hereunder. Contractor shall ensure that all of its officers, employees, and agents who perform services hereunder, obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations, and certificates required by federal, State, and local laws, regulations, guidelines and directives, which are applicable to their performance hereunder. Upon Director's written request Contractor shall provide Director with a copy of each license, permit, registration, accreditation, and certificate, as required by all applicable federal, State, and local laws, regulations, guidelines and directives, within ten (10) calendar days thereafter.

22. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of employee, agent, servant,

partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, employees or agents of the other party for any purpose whatsoever.

B. Contractor shall be solely liable and responsible for providing to, or on behalf of, its officers and employees all legally required employee benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, federal, State, and local taxes, or other compensation, benefits, or taxes to, or on behalf of, any personnel provided by Contractor.

C. Contractor understands and agrees that all persons furnishing services to County pursuant to this Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. Contractor shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed by or on behalf of Contractor pursuant to this Agreement.

23. REQUIREMENT TO NOTIFY EMPLOYEES ABOUT FEDERAL EARNED INCOME CREDIT ("EIC"): Contractor shall notify its employees, and shall require that each of its subcontractors notify its employees, to inform them that they may be eligible for claiming

federal EIC as allowed under the federal income tax laws. Such notification shall be provided in accordance with the requirements as set forth in the Department of Treasury Internal Revenue Service's ("IRS") Notice 1015; copies of which, are available from the IRS Forms Distribution Center, by calling (800) 829-3676.

24. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the federal Social Security Act [(42 USC section 653(a)] and California Unemployment Insurance Code section 1088.55, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department ("CSSD") Notices of Wage and Earnings Assignment for Child,

Family, or Spousal Support, pursuant to Code of Civil Procedure section 706.031 and Family Code section 5246(b).

25. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

Failure of Contractor to maintain compliance with the requirements set forth in "Contractor's Warranty of Adherence to County's Child Support Compliance Program" Paragraph immediately above, shall constitute default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to the TERMINATION Paragraphs of this Agreement and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

26. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is attached hereto and incorporated herein, and is also available on the Internet at [www.babysafela.org](http://www.babysafela.org) for printing purposes.

27. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges

that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

28. CONSIDERATION OF COUNTY'S DEPARTMENT OF PUBLIC SOCIAL SERVICES ("DPSS") GREATER AVENUES FOR INDEPENDENCE ("GAIN") PROGRAM OR GENERAL RELIEF OPPORTUNITY FOR WORK ("GROW") PARTICIPANTS FOR EMPLOYMENT: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's DPSS GAIN or GROW program(s), who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to the Contractor. In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

29. COUNTY EMPLOYEE'S RIGHT OF FIRST REFUSAL AND  
CONTRACTOR'S OFFERS OF EMPLOYMENT: To the degree permitted by Contractor's agreements with its collective bargaining units, Contractor shall give the right of first refusal for its employment openings at Contractor's facility to qualified County employees who are laid-off or who leave County employment in lieu of reduction under County's Civil Service Rule 19, and who are referred to Contractor by Director (including those on a County re-employment list). Such offers of employment shall be limited to vacancies in Contractor's staff needed to commence services under this Agreement, as well as, to vacancies that occur during the Agreement term. Such offers of employment shall be consistent with Contractor's current employment policies, and shall be made to any former or current County employee who has made application to Contractor, and is qualified for the available position. Employment offers shall be at least under the same conditions and rates of compensations which apply to other persons who are employed or may be employed by Contractor. Former County employees who have been impacted by County's Civil Service Rule 19, and who are employed by Contractor shall not be discharged during the term of the Agreement except for cause, subject to Contractor's personnel policies and procedures, and agreement(s) with its collective bargaining units.

Contractor shall also give first consideration to laid-off or reduced County employees if vacancies occur at Contractor's other service sites during the Agreement term.

30. NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT:

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary under this Agreement.

31. SERVICE DELIVERY SITE - MAINTENANCE STANDARDS:

Contractor shall assure that the location(s) [e.g., facility(ies)] where Contractor provides services under this Agreement, is/are operated at all times in accordance with all County and local community standards with regard to property maintenance and repair, graffiti abatement, refuse removal, fire safety, landscaping, and in full compliance with all applicable local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits to Contractor's facility(ies) shall include a review of compliance with the provisions of this Paragraph.

32. DAMAGE TO COUNTY BUILDINGS, FACILITIES, OR GROUNDS:

Contractor shall repair, or cause to be repaired, at its own cost, any damage to County buildings, facilities, or grounds, caused by Contractor or any officer, employee, or agent of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event, later than thirty (30) calendar days after the occurrence.

If Contractor fails to make timely repairs, County may make any necessary repairs on its own. All costs incurred by County for such repairs, as determine by Director, shall be repaid by Contractor upon demand.

33. USE OF RECYCLED - CONTENT BOND PAPER: Consistent with County's Board of Supervisors policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content bond paper and paper products to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.

34. NOTICE OF DELAYS: Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall within two (2) calendar days, give notice thereof, including all relevant information with respect thereto, to the other party.

35. CONFLICT OF INTEREST:

A. No County officer or employee whose position in County enables such officer or employee to influence the award or administration of this Agreement or any competing agreement, and no spouse or economic dependent of such officer or employee shall be employed in any capacity by Contractor herein, or have any other direct or indirect financial interest in this Agreement. No officer, employee, agent, or subcontractor of Contractor who may financially



benefit from the provision of services hereunder shall in any way participate in County's approval process for the award of this Agreement or any competing agreement, or ongoing evaluation of such services, under this Agreement or any competing agreement, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

B. Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to Director. Full written disclosure shall include, without limitation, identification of all persons involved, or implicated, and a complete description of all relevant circumstances.

36. TERMINATION FOR INSOLVENCY:

A. County may terminate this Agreement immediately for default in the event of the occurrence of any of the following:

- (1) Insolvency of Contractor. Contractor shall

be deemed to be insolvent if it has ceased to pay its debts at least sixty (60) calendar days in the ordinary course of business or cannot pay its debts as they become due, whether Contractor has committed an act of bankruptcy or not, and whether Contractor is insolvent within the meaning of the federal Bankruptcy Law or not;

(2) The filing of a voluntary or involuntary petition under the federal Bankruptcy Law;

(3) The appointment of a Receiver or Trustee for Contractor;

(4) The execution by Contractor of an assignment for the benefit of creditors.

The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

37. TERMINATION FOR DEFAULT: County may, by written notice of default to Contractor, terminate this Agreement immediately in any one of the following circumstances:

A. If, as determined in the sole judgment of County, Contractor fails to perform any services within the times specified in this Agreement or any extension thereof as County may authorize in writing; or

B. If, as determined in the sole judgment of County, Contractor fails to perform and/or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two (2) circumstances, does not cure such failure within a period of five (5) calendar days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure.

In the event that County terminates this Agreement as provided hereinabove, County may procure, upon such terms and in such manner as County may deem appropriate, services similar to those so terminated, and Contractor shall be liable to County for any reasonable excess costs incurred by County for such similar services.

The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

38. TERMINATION FOR IMPROPER CONSIDERATION: County may, by written notice to Contractor, immediately terminate Contractor's right to proceed under this Agreement, if it is found that consideration in any form, were offered or given by Contractor, either directly or through an intermediary, to any County officer, employee, or agent, with the intent of securing the Agreement or securing favorable treatment with respect to the

award, amendment, or extension of the Agreement, or making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could in the event of default by Contractor.

Contractor shall immediately report any attempt by a County officer, employee, or agent, to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or agent, or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

(Among other items, such improper considerations may take the form of cash, discounts, services, the provision of travel or entertainment, or other tangible gifts).

39. TERMINATION FOR MATERIAL BREACH: Notwithstanding any other provision of this Agreement, the failure of Contractor or its officers, employees, agents, or subcontractors, to comply with any of the terms of this Agreement or any written directions by or on behalf of County issued pursuant hereto shall constitute a material breach hereto, and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

40. TERMINATION FOR CONVENIENCE: The performance of services under this Agreement may be terminated, with or without

cause, in whole or in part, from time to time when such action is deemed by County to be in its best interest. Termination of services hereunder shall be effected by delivery to Contractor of a thirty (30) calendar day advance Notice of Termination specifying the extent to which performance of services under this Agreement is terminated and the date upon which such termination becomes effective.

After receipt of a Notice of Termination and except as otherwise directed by County, Contractor shall:

- (1) Stop services under this Agreement on the date and to the extent specified in such Notice of Termination; and

- (2) Complete performance of such part of the services as shall not have been terminated by such Notice of Termination. Further, after receipt of a Notice of Termination, Contractor shall submit to County, in the form and with the certifications as may be prescribed by County, its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination

is made, County shall pay Contractor the amount so determined.

This Agreement may also be terminated at any time by Contractor, with or without cause, in whole or in part, upon the giving of at least thirty (30) calendar days advance written notice to County.

Contractor for a period of five (5) years after final settlement under this Agreement, in accordance with the RECORDS AND AUDITS Paragraph, herein, shall retain and make available all its books, documents, records, or other evidence, bearing on the costs and expenses of Contractor under this Agreement in respect to the termination of services hereunder.

41. TERMINATION FOR NON-APPROPRIATION OF FUNDS:

Notwithstanding any other provision of this Agreement, County shall not be obligated for preventive maintenance and repair services performed hereunder, or by any provision of this Agreement, during any of County's future July 1 - June 30 fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall be deemed to have terminated on June 30 of the last County fiscal year for which funds were appropriated. Director shall notify Contractor in writing of such non-appropriation of funds at the earliest possible date.

42. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a

pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the



proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and

includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board

I. These terms shall also apply to any subcontractors of County Contractors.

43. SOLICITATION OF BIDS OR PROPOSALS: Contractor acknowledges that County, prior to expiration or earlier termination of this Agreement, may exercise its right to invite bids or request proposals for the continued provision of the services delivered or contemplated under this Agreement. County and/its DHS shall make the determination to solicit bids or

request proposals in accordance with applicable County and DHS policies.

Contractor acknowledges that County may enter into a contract for the future provision of services, based upon the bids or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids, or request for proposals, by virtue of its present status as Contractor.

44. GOVERNING LAW, JURISDICTION, AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that the venue of any action (other than an appeal or an enforcement of a judgment) brought by Contractor, on Contractor's behalf, or on the behalf of any subcontractor, which arises from this Agreement or is concerning or connected with services performed pursuant to this Agreement, shall be exclusively in the courts of the State of California located in Los Angeles County, California.

45. WAIVER: No waiver of any breach of any provision of this Agreement by County shall constitute a waiver of any other breach of such provision. Failure of County to enforce at any time, or from time-to-time, any provision of this Agreement shall

not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

46. SEVERABILITY: If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

47. COVENANT AGAINST CONTINGENT FEES:

A. Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

B. For breach or violation of this warranty, County shall have the right to terminate this Agreement and, in its sole discretion, to deduct from the payment or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

THE CBORD GROUP, INC.

EXHIBIT A

STATEMENT OF WORK

PREVENTIVE MAINTENANCE AND REPAIR SERVICES OF  
CBORD CARD SYSTEM

1. SCOPE OF WORK: Contractor shall provide services described in this Exhibit A for the hardware and software Systems from time to time listed in Schedules 1 and 2, attached hereto and referenced herein. Contractor's services shall include, but not be limited to, the following:

A. Provision and Maintenance of Software Services; and

B. As-needed Systems Repair Services.

2. DEFINITIONS: Unless otherwise expressly provided or the context otherwise requires, the following definitions for the terms identified below shall be understood to be the meaning of such terms where used in this Exhibit A:

A. "Facility" shall refer to both Medical Centers covered under this Agreement.

B. "Hardware, whether or not capitalized, means hardware from time to time listed on Schedules 1 and 2 hereto.

C. "Software", whether or not capitalized, means software from time to time listed on Schedules 1 and 2 hereto, and any and all upgrades, enhancements, corrections and fixes from time to time provided with respect to such software.

D. "System(s)" shall mean an instrument, apparatus, machine or other similar or related article, including all operating software and hardware, components, parts accessories, replacements, and/or upgrades, which is intended for the functional and operational state of the security access to the Facility and the services provided by the Facility. As referenced in this Exhibit A, "Systems" includes the hardware and software from time to time listed on Schedules 1 and 2.

E. "Repair Services" shall mean the restoration of Systems to its original function on an as-needed basis, as may be required by the Facility in response to the failure or malfunctioning of such equipment.

The repair process may also include software and hardware upgrades, enhancements, and corrections.

3. CONTRACTOR PERSONNEL:

A. Contractor shall designate an administrator to lead and coordinate Contractor's day-to-day provision of services described hereunder.

Contractor's administrator shall be available at all reasonable times (Monday through Friday, 8:00 a.m. to 5:00 p.m.), excluding County holidays, to act as a central point of contact with County personnel.

Contractor shall notify County, in writing, of the name, telephone (e.g., cellular [cell phone]), pager, and facsimile/FAX number(s) of Contractor's designated day-to-day administrator within ten (10) calendar days prior to the effective date of this Agreement.

B. Contractor's administrator shall be responsible to provide services hereunder, which shall be prepared in writing and submitted to the Director for approval, before any such services are provided. During the term of this Agreement, Contractor shall have available and shall provide upon request to authorized representatives of Director, the names of

Contractor's regional staff (including any subcontractor staff) and helpdesk, their titles, professional degrees (if any), salary history, and experience in providing services hereunder.

C. Contractor's administrator shall institute and maintain appropriate supervision of all persons providing services pursuant to this Agreement. Further, unless directed pursuant to this Agreement by Director to do otherwise, Contractor shall work independently on designated assignments in accordance with the duties contained hereunder.

D. Contractor service personnel shall be appropriately licensed, certified, credentialed, or trained to perform the Preventive Maintenance and Repair Services hereunder.

E. Contractor shall assume the sole responsibility for the timely completion of all activities assigned or to be performed hereunder.

4. COUNTY PERSONNEL: County does not anticipate assigning County personnel or employees to assist Contractor on a full-time or even a part-time basis regarding services to be provided by Contractor pursuant to this Agreement. However, County personnel will be made



available to Contractor at the discretion of Director to provide necessary input and assistance in order to answer questions and provide necessary liaisons between Contractor and County. In any event, County further will provide Contractor with an appropriate contact person at each work site location to be served under this Agreement.

5. COUNTY FURNISHED PROPERTY AND SERVICES: At the Director's sole discretion, County may assign space, chairs, and desks, on a non-exclusive basis, for work area and related used by Contractor. In the event the Director assigns space to the Contractor, Contractor shall use the space only for the purpose of the performance of services hereunder. Contractor is prohibited from use of such space, desks, and chairs for any purposes other than the performance of this Agreement.

At the Director's sole discretion, County may provide access to telephones, fax machines, typewriters, and photocopying equipment, on a non-exclusive basis, for the purpose of Contractor's performance of this Agreement. Contractor is prohibited from use of such equipment for purposes other than for the performance of this Agreement.

6. SERVICES TO BE PERFORMED BY CONTRACTOR:

Contractor shall provide the following services for all Systems listed in Schedules 1 and 2:

A. License Fee and Software Support Plan: Upon payment of the applicable license fees set forth on Schedules 1 and 2, County has a personal, nonexclusive, nontransferable right to use each item of software. With respect to the right to use the items of software identified as "ORACLE" on Schedules 1 and 2, such right shall be subject to the restrictions set forth on Schedule 3 hereto. Support services include Helpdesk and field service resources for problem resolution relating to operational issues or issues with software nonconformance with such software's manufacturer product specifications. Services are available twenty-four (24) hours a day, seven (7) days a week. Software corrections or fixes shall be provided at no additional cost. Software enhancements (incremental changes in application software) shall be provided at no additional cost. Remote Contractor application upgrades shall be provided upon request at no additional cost. Software upgrades are available at a discount off Contractor's

prevailing published rates. Remote configuration "reprograms" will be performed at a fifty percent (50%) discount off Contractor's prevailing professional service rates.

B. Enhanced Hardware Support Plan: Support services shall include Helpdesk and/or field service resources for question and problem resolution relating to Hardware nonconformance with such Hardware's manufacturer product specifications twenty-four (24) hours a day, seven (7) days a week. At the request of Contractor, Hardware shall be pre-replaced at no cost. Pre-replaced items will be sent via UPS ground or the equivalent at no additional cost. All pre-replaced Items must be returned with thirty (30) days per the Hardware Return Policy or additional charges shall apply. County also has the option of returning hardware for repair which shall be completed within ten (10) business days after receipt (transit time not included). Cost of shipment of hardware to Contractor is County's responsibility.

Hardware will be repaired at no additional charge beyond the annual Plan fee as listed on Schedules 1

and 2. Hardware improvements/fixes and enhancements are available at no additional cost.

C. Hardware Return Policy: CBORD Card Systems Division Help desk must issue a Return Authorization Number (RAN) before an item is sent to the repair depot. If more than one unit of identical equipment is to be returned, all may be returned using a single RAN. Different types of equipment require separate RANs. The following information will be needed to issue a RAN:

Type and Model of defective product (i.e. LNX-51 10, ABA Encoder/Verifier, etc.)

Serial Number of the Item (This will appear on a tag bearing the name "The CBORD Group, Inc." or "Griffin Technology, Inc.")

A complete description of the product failure

The following steps must be followed in returning Hardware:

Hardware must be returned in original packing material.

RAN must be clearly marked on the outside of the package. Any Hardware returned without a valid RAN

will be returned to the sender un-repaired and freight collect.

A completed Equipment Return Form must accompany each Item sent which Form shall be provided by Contractor upon request. Items received without a completed Equipment Return Form may be returned un-repaired, or may not be returned at all.

RAN shipments must be received within thirty (30) days of the RAN issuance or they may be refused. A new RAN may be issued at the discretion of Contractor.

D. Response Time/Escalation: The CBORD Card System Helpdesk shall respond to all telephone calls within thirty (30) minutes. If the Helpdesk cannot resolve the problem within thirty (30) minutes, the problem will be escalated to the proper resource. If no progress is made within four (4) hours, then either: (1) If the problem is a System critical situation where basic System functionality is inhibited to the point that transactions or critical data are being lost or the System is down, a "System Down" notification will be issued and appropriate Field Service personnel shall be dispatched to the Facility at no additional cost; or (2) If the problem

is not System critical, then a Product Maintenance Request shall be issued which will cause a formal Division level investigation into the Hardware or Software problems. On those instances when the System cannot be fixed without the services of an on-site System Engineer, then the charge for the services of the System Engineer are \$1,500 per day or prorated per job.

E. Risk Management Program: Contractor shall, in association with Facility staff, develop and maintain an equipment risk management program. Such Program shall require written documentation of any System, System component(s), software or System part(s) which have been involved in an incident or a reoccurring problem. Such documentation shall describe the incident, the System, System component(s), software, or System part(s) involved in the incident or problem, and any subsequent examination of such equipment.

F. Additional Services:

1) Breakage and/or Loss: Contractor shall replace and/or repair (at the time of servicing) any Systems and/or parts thereof which suffer

breakage, damage or loss at the time of servicing or repair, which is caused by the negligence or willful misconduct of Contractor, and to the extent thereof, at no additional cost to County.

2) Rework: Contractor shall rework improperly repaired Systems, correct any damage resulting therefrom, and supply all necessary parts and materials therefore at no additional cost to County. Service personnel shall also repair any defective parts purchased and installed by such service personnel and shall repair any damage to the Systems resulting from, and to the extent of, Contractor's negligence or willful misconduct, at no additional cost to County.

3) Reports: Contractor shall prepare and maintain a written record of all services (service report) provided on each Systems at the Facility. Such service report(s) shall: (a) meet all licensing, accrediting and regulatory agency requirements, (b) clearly identify the Systems serviced by model number, serial number, (c) include an itemization and description of

services performed, (d) list any parts installed, (e) include the service date(s), and (f) give the name of the service technician who performed the service. A copy of such service report shall be given to the Facility at the time the service is performed. Such service reports are the property of County and shall remain on-site at each Facility.

4) Training - Comprehensive week long training is provided in Rochester, New York at a cost of \$2,250 including educational materials and manual, not including flight, hotel, morning and evening meals. Training may be arranged on-site at a mutually agreed upon cost.

7. EXCLUSIONS: Contractor is not financially responsible to provide the repair services above should any repair be required by causes other than ordinary use of the Systems. Such causes include, but are not limited to:

A. Improper use, gross neglect, misplacement, air conditioner or humidity control malfunction or failure, Facility electrical system malfunction or failure;



B. Repair, maintenance, modification, relocation, or reinstallation by any other than Contractor-authorized personnel;

C. Force majeure, fires, floods, war, acts of sabotage, riots, accidents, or other causes.

In the event that excluded services are required by a Facility, such services shall be billed to County are \$1,500 per day or pro-rated per job. Any replacement parts or components provided hereunder shall be billed to County at Contractor's then current list or exchange price plus sales tax and freight, upon written consent of Director.

8. BILLING AND PAYMENT:

A. Billing:

(1) Billings to County shall be submitted quarterly in advance in accordance with the rate schedule set forth in this Exhibit A and Schedules 1 and 2.

(2) All billings hereunder shall be by Facility, shall be in duplicate, and shall be forwarded to the appropriate Facility and address as specified in the Agreement, Paragraph 4,  
BILLING AND PAYMENT.

(3) All billings hereunder shall clearly reflect and provide reasonable details of the services for which claim is made, a description of services performed, the date(s) of such services, and shall include a copy of the service report(s).

(4) All billings rendered by Contractor shall be in the name of Contractor as said name appears on the first page of this Agreement and shall include the County contract number.

(5) Billings required as a result of causes listed in the EXCLUSIONS Paragraph of this Exhibit A shall be billed at a rate of \$1,500 per day, and submitted on separate invoices to the Facility.

B. Payment:

(1) Subject to the terms and conditions of this Agreement and upon receipt of a complete and correct billing statement, and upon approval by Director of same, County shall reimburse Contractor within thirty (30) calendar days upon receipt of Contractor's billing(s). Payment for

incorrect billings shall be included when resolved in the next payment cycle.

(2) County shall compensate Contractor quarterly in advance in accordance with the rate schedules set forth herein below and further described in Schedules 1 and 2. Such rates are an all-inclusive rate for the services described above that are provided to all Systems covered under this Agreement.

(3) Director shall evaluate all services and tasks performed by Contractor. If, in the Director's sole discretion, a service or task is not satisfactorily performed, Director shall provide Contractor with a written assessment of the deficiencies. Contractor shall, within ten (10) business days of receipt of Director's deficiency notification, remedy the identified deficiencies, at no additional cost to County. This approval process shall be repeated until Director deems all deficiencies have been remedied. Unless and until Contractor remedies all identified deficiencies, County shall not

have any obligation to pay Contractor for deficient work performed under this Agreement.

9. GENERAL CONTRACTOR REQUIREMENTS:

A. Business License: Prior to the execution of this Agreement, Contractor shall provide the Department of Health Services, Contracts and Grants Division with a copy of its current business license(s) and appropriate Employer Identification Number.

B. Recruitment: Contractor shall screen all personnel prior to assigning such personnel to provide services at the Facility to assure that all such persons have the qualifications and training necessary to perform the services contemplated under this Agreement. All such service personnel shall be appropriately licensed, certified, credentialed, registered or trained to perform the maintenance and repair services and shall have, as a minimum, knowledge and expertise necessary to perform the services under this Agreement.

C. Contractor Personnel Qualifications: Contractor personnel providing services hereunder shall obtain and maintain in effect during the term of

this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance hereunder. Copies of such licenses, permits, registrations and certificates shall be made available to County upon request for purposes of inspection and audit.

D. Infection Control: If any of Contractor's personnel are diagnosed with having an infectious disease, and Contractor is made aware of such a diagnosis and such person has had contact with a County employee or patient during the usual incubation period for such infectious disease, then Contractor shall report such occurrences to Facility's Infection Control Department within twenty-four (24) hours of becoming aware of the diagnosis.

If a County employee or patient is diagnosed with having an infectious disease, and such County employee or patient has had contact with Contractor's personnel during the usual incubation period for such infectious disease, each Facility shall report such occurrences to Contractor.

For purposes of this Agreement, the infectious diseases reportable hereunder are those listed in the Public Health List of Reportable Diseases.

E. Physical Examination: Contractor shall ensure that each person who performs services at a Facility site under this Agreement is examined by a licensed physician, or other licensed medical practitioner authorized to perform such physical examinations, on an annual basis or biannual basis, as required by each Facility based on such person's work location. Upon request by Director or his designee, Contractor shall provide County, with evidence that each such person is free of infectious and/or contagious disease(s) which would interfere with the person's ability to perform the services hereunder or which could be transmitted in the work place at each Facility. Such evidence shall include documentation that the person:

(1) received a physical examination, including a chest X-ray or tuberculin skin test, and

(2) is immune to measles (Rubeola and Rubella) and Hepatitis B through vaccination or anti-body titer test demonstrating such immunity.

In those instances where persons have no demonstrated immunity, and have refused vaccination, a waiver to that effect must be on file and provided upon request.

Written certification that such person is free of infectious disease(s), has been tested and/or vaccinated as required above, and physically able to perform the duties described herein shall be retained by Contractor for purposes of inspection and audit and made available to County upon request.

SCHEDULE 1

MARTIN LUTHER KING, JR. - HARBOR HOSPITAL

Customer ID: 3032460  
Contact ID: 7773  
Location ID: 3032460

No	Product Number	Product Description	Install Date	Warranty Expiration Date	Quantity	Term in Months	2007-2008 Proposed Coverage	2007-2008 Proposed Contract Amount	2008-09 Proposed Coverage	2008-09 Proposed Contract Amount
<b>CBORD Software and Services</b>										
1	3SFTGR071132001	SOFTWARE, BC-2000 (ETHERNET) - 1 APP	1/2/1900	12/30/1900	14	12	SW	\$ 1,184.41	SW	\$ 1,339.52
2	3SFTGR07118011B	SFTW, 4.X, CS LOCATIONS -100 BASE LOCATIONS	12/17/2003	12/15/2004	1	12	SW	\$ 1,331.54	SW	\$ 1,505.92
3	3SFTGR07118711B	SFTW, 4.X, CS MEAL PLANS -10,000 BASE PATRONS	12/17/2003	12/15/2004	1	12	SW	\$ 2,341.23	SW	\$ 2,647.84
4	3SFTGR07118811B	SFTW, 4.X, CS ACCESS -10,000 BASE PATRONS	12/17/2003	12/15/2004	1	12	SW	\$ 2,725.61	SW	\$ 3,082.56
5	3SFTGR071190000	CS CardLink Software	12/17/2003	12/15/2004	2	12	SW	\$ 1,085.10	SW	\$ 1,227.20
6	3SFTGR071190000	CS CardLink Software	12/17/2003	12/15/2004	1	12	SW	\$ 542.55	SW	\$ 613.60
7	3SFTGR088000001	ORACLE APPLICATION SPECIFIC LIC. STANDARD SINGLE PROC.	12/17/2003	12/15/2004	1	12	SW	\$ 608.76	SW	\$ 688.48
							Subtotal:	\$ 9,819.19	Subtotal:	\$ 11,105.12
<b>Access Hardware</b>										
8	3ACSGR6730029000	SQUADRON.2 DOOR CONN UNIT V100	2/16/2007	2/29/2008	5	4	HW Enhanced	\$ 104.22	HW Enhanced	\$ 353.60
9	3ACSGR6730029000	SQUADRON.2 DOOR CONN UNIT V100	8/24/2006	8/31/2007	1	10	HW Enhanced	\$ 52.11	HW Enhanced	\$ 70.72
10	3ACSGR6730042000	SQUADRON NETWORK GATEWAY, HID V1000 w/ Cap Fix	2/16/2007	2/29/2008	2	4	HW Enhanced	\$ 112.80	HW Enhanced	\$ 382.72
11	3ACSGR6730042000	SQUADRON NETWORK GATEWAY, HID V1000 w/ Cap Fix	8/24/2006	8/31/2007	1	10	HW Enhanced	\$ 141.00	HW Enhanced	\$ 191.36
12	3ACSGR6731049000	SYS,HID PROX-PRO MID-RANGE PROXIMITY READER	1/2/1900	12/30/1900	27	12	HW Enhanced	\$ 1,092.45	HW Enhanced	\$ 1,235.52
13	3ACSGR6731395000	PROXIMITY READER - LONG RANGE	1/2/1900	12/30/1900	21	12	HW Enhanced	\$ 1,969.72	HW Enhanced	\$ 2,227.68
14	3ACSGR6731443000	SQUADRON POWER SUPPLY, 12VDC 10A, ALTRONIX	2/16/2007	2/29/2008	2	4	HW Enhanced	\$ 74.18	HW Enhanced	\$ 251.68
15	3ACSGR6731454000	POWER SUPPLY, 12VDC, 10A ALTRONIX	8/24/2006	8/31/2007	1	10	HW Enhanced	\$ 84.29	HW Enhanced	\$ 114.40
16	3ACSGR6771259000	CONTROL PANEL, A1000 ALRM w/ 32 pt Alrm board lrg Enc 1013	2/28/2007	2/29/2008	1	4	HW Enhanced	\$ 106.36	HW Enhanced	\$ 360.88
17	3ACSGR6771260000	CONTROL PANEL, A1000 PMEM w/Wiegand Large MEM	2/28/2007	2/29/2008	7	4	HW Enhanced	\$ 575.04	HW Enhanced	\$ 1,951.04
18	3ACSGR6771322001	DAC-AC-5000 CONTROLLER WITH 64K RAM	4/18/2000	4/17/2001	56	12	HW Enhanced	\$ 14,676.37	HW Enhanced	\$ 16,598.40
19	3ACSGR6790001000	KIT, PROX-PRO CSGOLD INCL WIEGAND ADAPT, PS	2/28/2007	2/29/2008	11	4	HW Enhanced	\$ 323.69	HW Enhanced	\$ 1,098.24
20	3ACSGR6790001000	KIT, PROX-PRO CSGOLD INCL WIEGAND ADAPT, PS	2/16/2007	2/29/2008	9	4	HW Enhanced	\$ 264.84	HW Enhanced	\$ 898.56
21	3ACSGR6790001000	KIT, PROX-PRO CSGOLD INCL WIEGAND ADAPT, PS	8/24/2006	8/31/2007	1	10	HW Enhanced	\$ 73.57	HW Enhanced	\$ 99.84
22	3ACSGR6791084000	KIT,LON TALK ADAPTER	4/7/2004	4/6/2005	1	12	HW Enhanced	\$ 278.63	HW Enhanced	\$ 315.12
							Subtotal:	\$ 19,929.28	Subtotal:	\$ 26,149.76
<b>Miscellaneous Hardware</b>										
23	3COMGR6791076000	KIT, BC-2000 (ETHERNET) WITHOUT DAC	1/21/1998	1/20/1999	2	12	HW Enhanced	\$ 809.22	HW Enhanced	\$ 915.20
24	3COMGR6791077000	KIT, BC-2000 (ETHERNET) WITH DAC	1/21/1998	1/20/1999	8	12	HW Enhanced	\$ 4,355.09	HW Enhanced	\$ 4,925.44
25	3COMGR6791158000	CS ACTION AND RESPONSE MANAGEMENT SOFTWARE PACKAGE- replaces 3SFTGR6791158000	12/17/2003	12/15/2004	1	12	SW	\$ 3,041.94	SW	\$ 3,440.32
26	3DCRGR6791107019	ENCODER/VERIFIER, ABA2, HI ENERGY	1/2/1900	12/30/1900	1	12	HW Enhanced	\$ 1,175.21	HW Enhanced	\$ 1,329.12
							Subtotal:	\$ 9,381.48	Subtotal:	\$ 10,610.08
							Total	\$ 39,129.94	Total	\$ 47,864.96

QUARTERLY FEES		2007-2008	2008-2009
July			\$11,966.24
October		\$10,232.75	\$11,966.24
January		\$10,657.17	\$11,966.24
April		\$11,506.00	\$11,966.24
Total		\$32,395.92	\$47,864.96



SCHEDULE 2

HARBOR-UCLA MEDICAL CENTER

Customer ID: 1788820  
Contact ID: 10329  
Location ID: 2711370

No Product Number Product Description

CBORD Software and Services

- 1 3SFTGR707118050B CS LOCATIONS, V5 - 10 BASE LOCATIONS
- 2 3SFTGR707118050X CS LOCATIONS, V5 - 10 EXTRA LOCATIONS
- 3 3SFTGR707118550B CS ENTITLEMENTS, V5 - 1000 BASE PATRONS
- 4 3SFTGR707118550X CS ENTITLEMENTS, V5 - 500 EXTRA PATRONS
- 5 3SFTGR707118650B CS STORED V/C, V5 - 1000 BASE PATRONS
- 6 3SFTGR707118650X CS STORED V/C, V5 - 500 EXTRA PATRONS
- 7 3SFTGR707118750B CS MEAL PLANS, V5 - 1000 BASE PATRONS
- 8 3SFTGR707118750X CS MEAL PLANS, V5 - 500 EXTRA PATRONS
- 9 3SFTGR707118850B CS ACCESS, V5 - 1,000 BASE PATRONS
- 10 3SFTGR707118850X CS ACCESS, V5 - 500 EXTRA BASE PATRONS
- 11 3SFTGR7071190000 CS CardLink Software
- 12 3SFTGR7071190000 CS CardLink Software
- 13 3SFTGR7071190000 CS CardLink Software
- 14 3SFTGR7073064001 SOFTWARE, BC-1000 WITH 1 APP
- 15 3SFTGR7088000001 ORACLE APPLICATION SPECIFIC LIC. STANDARD SINGLE PROC.

Point of Sale Hardware

- 16 3POSGR6731438000 TURBO 5110 (BLACK CASE)

Access Hardware

- 17 3ACSGR6771259000 CONTROL PANEL, A1000 ALRM w/ 32 pt Alrm board lrg Enc 1013
- 18 3ACSGR6771260000 CONTROL PANEL, A1000 PMEM w/Wiegand Large MEM
- 19 3ACSGR6790001000 KIT, PROX-PRO CSGOLD INCL WEIGAND ADAPT, PS
- 20 3ACSGR6791082000 KIT, AC-5000 (64K CONTROLLER & READER)

Miscellaneous Hardware

- 21 3COMGR6731434000 SYS, TERM SVR, LANTRONIX 4PORT, RS422 MSS4
- 22 3COMGR6791078000 KIT, BC-1000 (MODEM) WITH DAC
- 23 3COMGR6791156000 CS ACTION AND RESPONSE MANAGEMENT SOFTWARE PACKAGE
- 24 3DCRGR6791107019 ENCODER/VERIFIER, ABA2, HI ENERGY

2007-2008		2008-09	
Proposed Coverage	Proposed Contract Amount	Proposed Coverage	Proposed Contract Amount
SW	\$ 256.18	SW	\$ 327.60
SW	\$ 385.49	SW	\$ 492.96
SW	\$ 1,045.88	SW	\$ 1,337.44
SW	\$ 400.13	SW	\$ 511.68
SW	\$ 738.46	SW	\$ 944.32
SW	\$ 341.58	SW	\$ 436.80
SW	\$ 939.34	SW	\$ 1,201.20
SW	\$ 426.16	SW	\$ 544.96
SW	\$ 1,110.12	SW	\$ 1,419.60
SW	\$ 426.16	SW	\$ 544.96
SW	\$ 143.95	SW	\$ 613.60
SW	\$ 431.85	SW	\$ 613.60
SW	\$ 479.83	SW	\$ 613.60
SW	\$ 74.82	SW	\$ 95.68
SW	\$ 538.39	SW	\$ 688.48
Subtotal:	\$ 7,738.34	Subtotal:	\$ 10,386.48
HW Enhance	\$ 1,382.57	HW Enhance	\$ 1,768.00
Subtotal:	\$ 1,382.57	Subtotal:	\$ 1,768.00
HW Basic	\$ 338.65	HW Basic	\$ 1,443.52
HW Basic	\$ 1,307.75	HW Basic	\$ 5,574.40
HW Basic	\$ 819.78	HW Basic	\$ 3,494.40
HW Enhance	\$ 328.56	HW Enhance	\$ 420.16
Subtotal:	\$ 2,794.75	Subtotal:	\$ 10,932.48
HW Enhance	\$ 314.25	HW Enhance	\$ 1,339.52
HW Enhance	\$ 481.46	HW Enhance	\$ 615.68
SW	\$ 807.10	SW	\$ 3,440.32
HW Enhance	\$ 1,039.37	HW Enhance	\$ 1,329.12
Subtotal:	\$ 2,642.18	Subtotal:	\$ 6,724.64
TOTAL	\$ 14,557.84	TOTAL	\$ 29,811.60

2007-2008		2008-2009	
Quarterly Fees	July	Quarterly Fees	July
October	\$ 4,568.08	October	\$ 7,452.90
January	\$ 4,568.08	January	\$ 7,452.90
April	\$ 4,715.58	April	\$ 7,452.90
Total	\$ 13,851.74	Total	\$ 29,811.60

## SCHEDULE 3

## ORACLE LICENSE TERMS

Customer Name: COUNTY OF LOS ANGELES

Agreement/Sales Order No: \_\_\_\_\_

1. The above-referenced Customer has entered into an order with The CBORD Group, Inc. ("CBORD") for the maintenance and support of certain hardware and software. Certain of the software included on the order is being licensed to CBORD from Oracle Corporation ("Oracle") and is being sublicensed by CBORD to the above-named Customer. The terms and conditions of such sub-license are stated herein provided that Customer shall not use the Oracle software except in conjunction with the CBORD-maintained and/or supported equipment. The Customer's use of the Oracle software is further subject to the following:
2. Customer is prohibited from (a) transferring the programs except for temporary transfer in the event of computer malfunction; (b) assigning the programs or any interest in the programs (c) granting a security interest in the programs; (c) permitting timesharing, service bureau, subscription service, or rental use of the programs; and (d) passing title to the programs to Customer or any other party.
3. Customer shall not reverse engineer, disassemble or decompile the programs unless required for interoperability. Copying or duplication of the programs of any sort is prohibited except for a single backup or archival copy.
4. Customer agrees at the completion of the term of this license that Customer shall discontinue use and destroy or return to CBORD all copies of the programs and documentation.
5. Publication of any results of benchmark tests run on the programs is strictly forbidden.
6. Customer agrees to that the programs are subject to a restricted license and can only be used in conjunction with the application package and that Customer is not permitted to modify the programs.

## **ADDENDUM A**

### **CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996**

, Business Associate

This Addendum to Agreement is entered into effective this   t   day of   , 200   ("Effective Date"), by and between County of Los Angeles Department of Health Services ("Covered Entity"), and           , a ("Business Associate").

Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 (together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place;

Therefore, the parties agree as follows:

#### **DEFINITIONS**

- 1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.
- 1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.  
The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.

- 1.3 “Electronic Protected Health Information” has the same meaning as the term “electronic protected health information” in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.
- 1.4 “Individual” means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. “Protected Health Information” includes Electronic Health Information.
- 1.6 “Required By Law” means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.7 “Security Incident” means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.
- 1.8 “Services” has the same meaning as in the body of this Agreement.
- 1.9 “Use” or “Uses” mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate’s internal operations.

1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

## **OBLIGATIONS OF BUSINESS ASSOCIATE**

### **2.1 Permitted Uses and Disclosures of Protected Health Information.** Business Associate:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
  - (i) Use Protected Health Information; and
  - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

### **2.2 Adequate Safeguards for Protected Health Information.** Business Associate:

- (a) shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- (b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

### **2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents.** Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number 1(800) 711-5366 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer  
Kenneth Hahn Hall of Administration  
500 West Temple St.  
Suite 525  
Los Angeles, CA 90012

- 2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.
- 2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.
- 2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.
- 2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.
- 2.8 Accounting of Disclosures. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors.

*[Optional, to be used when all Uses and Disclosures permitted in order to perform the Services will be for the Covered Entity's payment or health care operations activities: However, Business Associate is not required to provide an accounting of Disclosures that are necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.]*

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

### **OBLIGATION OF COVERED ENTITY**

- 3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

### **TERM AND TERMINATION**

- 4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.
- 4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
- (a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
  - (b) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
  - (c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.
- 4.3 Disposition of Protected Health Information Upon Termination or Expiration.

- (a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health

Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

## MISCELLANEOUS

- 5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Addendum.
- 5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.
- 5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.
- 5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.